

Medicare payments for services provided by nonphysician practitioners

ISSUE: MedPAC is required to study the appropriateness of payment rates for services provided by certified nurse midwives (CNMs), nurse practitioners (NPs), clinical nurse specialists (CNSs), and physician assistants (PAs). These nonphysician practitioners are reimbursed at a percentage of the physician fee schedule: 65 percent for CNMs and 85 percent for the others. Physicians, however, may bill at 100 percent of the physician fee schedule for services provided by these nonphysician practitioners, even if they do not see the patient during the visit.

The Commission was also asked to examine the appropriateness of these payments rates for orthopedic physician assistants (OPAs), taking into account requirements for accreditation, training, and education. Currently OPAs are not reimbursed by Medicare.

The following questions need to be considered. How do services provided by NPPs compare to services provided by physicians? Should nonphysician practitioners be paid a lower rate than physicians for the same service? And if so, what differential would be appropriate and how should the differential be applied? Should CNMs be paid at a rate that is different than that of these other nonphysician practitioners? Should physicians be reimbursed at 100 percent of the physician fee when a nonphysician practitioner provides the services but the physician never saw the patient during the visit?

KEY POINTS: The Balanced Budget Act of 1997 expanded Medicare payment for services provided by NPs, CNSs, and PAs by removing restrictions on the type of geographic areas and settings in which these providers are paid. The legislation also increased payment for these providers' services to 85 percent of the physician fee schedule amount. The legislation did not change payment policies for CNMs who did not face these same restrictions.

All these nonphysician practitioners may bill for covered physician services that are within their scope of practice for the state in which they practice. NPs, CNSs, and CNMs are all registered nurses, generally with advanced training at the masters level. PA training programs are generally about 2 years in length, but can be at the certificate, associate, bachelors, or masters level. Previous patient care experience is generally a requirement for PA students.

The majority of services provided by NPs, CNMs, and PAs are for evaluation and management (E&M) services. The complexity level of the E&M services tends to be slightly lower than for primary care physicians. Studies have generally shown comparable patient outcomes for services provided by nonphysician practitioners to those of physicians.

OPAs practice under a supervising orthopedic physician. They provide primary orthopedic care, pre- and post operative care, and serve as first assistant at surgery. Currently only a few states recognize OPAs. There currently are no schools providing OPA training, although individuals can receive the necessary training to become a certified OPA by working with an orthopedic physician for 5 years.

ACTION: Commissioners will need to make preliminary indication on the direction they would like to take in making recommendations for this report. A draft of the report will need to be approved at the April meeting.

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